



General Assembly

February Session, 2000

Amendment

LCO No. 4017

Offered by:

SEN. LEBEAU, 3rd Dist.

SEN. SOMMA, 16th Dist.

To: Subst. Senate Bill No. 578

File No. 604

Cal. No. 398

***"An Act Concerning Smart Buildings And Internet
Business Districts."***

1 In line 7, after "property", insert "or any information technology
2 project"

3 In line 9, after "for", insert "an information technology project or"

4 In line 12, strike "fully wired office space provided high-capacity
5 networking within such space and high-speed connections to the
6 Internet"

7 In line 103, before "business incubators" insert "high technology
8 businesses and" and strike "firms" and insert "businesses" in lieu
9 thereof

10 After line 143, insert the following and renumber the remaining
11 sections accordingly:

12 "Sec. 3. Subsection (d) of section 32-23d of the general statutes is
13 repealed and the following is substituted in lieu thereof:

14 (d) "Project" means any facility, plant, works, system, building,
15 structure, utility, fixture or other real property improvement located in
16 the state, any machinery, equipment, furniture, fixture or other
17 personal property to be located in the state and the land on which it is
18 located or which is reasonably necessary in connection therewith,
19 which is of a nature or which is to be used or occupied by any person
20 for purposes which would constitute it as an economic development
21 project, information technology project, public service project, urban
22 project, recreation project, commercial fishing project, health care
23 project, the convention center project, as defined in subdivision (3) of
24 section 32-600, or nonprofit project, and any real property
25 improvement reasonably related thereto. A project may be acquired (1)
26 directly or (2) indirectly through the purchase of all or substantially all
27 of the stock of a corporation. A project shall not include new materials,
28 work in process, stock in trade or stock of a corporation.

29 Sec. 4. Section 32-23d of the general statutes is amended by adding
30 subsections (ee) to (gg), inclusive, as follows:

31 (NEW) (ee) "Information technology project" means any project (1)
32 providing information technology intensive office or laboratory space,
33 including, but not limited to, smart buildings, incubator facilities, or
34 any project that is to be used or occupied by any person specializing in
35 e-commerce technologies or other technologies using high-speed
36 communications infrastructure, and (2) which the authority deems will
37 materially contribute to the economic base of the state by creating or
38 retaining jobs, promoting the export of products or services beyond
39 state borders, encouraging innovation in products or services, or
40 otherwise contributing to, supporting or enhancing existing activities
41 that are important to the economic base of the state.

42 (NEW) (ff) "Incubator facilities" has the same meaning as incubator
43 facilities in subdivision (5) of section 32-34.

44 (NEW) (gg) "Smart building" means a building that houses, for use
45 by its tenants, an information or communications infrastructure

46 capable of transmitting digital video, voice, and data content over a
47 high-speed wired, wireless, or other communications intranet and
48 provides the capability of delivering and receiving high-speed digital
49 video, voice and data transmissions over the Internet."

50 In line 209, after "(12)", insert "provide tenant lease guarantees and
51 performance guarantees and"

52 In line 214, after "which" insert "guarantees,"

53 In line 303, strike the brackets around "and"

54 In 315, insert a period after "state" and strike "; and (26) act as a loan
55 guarantor for information"

56 Strike lines 316 to 371, inclusive, in their entirety and insert the
57 following in lieu thereof:

58 "Sec. 4. Section 32-39 of the general statutes is amended by adding
59 subsection (38) as follows:

60 (NEW) (38) To provide financial aid to persons developing smart
61 buildings, as defined in section 32-23d, as amended by section 3 of this
62 act, incubator facilities or other information technology intensive office
63 and laboratory space.

64 Sec. 5. (NEW) As used in section 6 of this act, the following terms
65 shall have the following meanings unless the context indicates another
66 meaning and intent:

67 (1) "Authority" means the Connecticut Development Authority,
68 created under section 32-11a of the general statutes, and any of its
69 subsidiaries or affiliates;

70 (2) "Executive Director" means the executive director of the
71 Connecticut Development Authority;

72 (3) "Financial assistance" means any and all forms of grants, loans,
73 extensions of credit, guarantees, equity investments, grants or other

74 forms of financing or refinancing to persons for the purchase,
75 acquisition, leasing, construction, expansion, continued operation,
76 reconstruction, financing, refinancing or placing in operation of an
77 information technology project, including, but not limited to, fixed
78 assets, working capital, equity participations and acquisitions,
79 employee buyouts, refinancing, lease guarantees, financial
80 restructuring and other purposes which the authority determines
81 further the purposes of this section. For purposes of this section and
82 section 6 of this act financial assistance shall not be considered
83 financial assistance under the provisions of section 32-462 of the
84 general statutes;

85 (4) "Information technology project" means an information
86 technology project, as defined in section 32-23d of the general statutes,
87 as amended by this act;

88 (5) "Person" means a person, as defined in subsection (s) of section
89 32-23d of the general statutes;

90 (6) "Return on investment" means any and all forms of principal or
91 interest payments, guarantee fees, equity participations, options,
92 warrants, debentures and any or all other forms of remuneration to the
93 authority in return for any financial assistance provided or offered.

94 Sec. 6. (NEW) (a) There is created within the authority the High-
95 Technology Infrastructure Fund. The state, acting through the
96 authority, may provide financial assistance from such fund that
97 enables the development of information technology projects. Such
98 financial assistance may be provided directly or in participation with
99 any other financial institutions, funds or other persons or other sources
100 of financing, public or private and the authority may enter into any
101 agreements or contracts it deems necessary or convenient in
102 connection therewith. Payments of principal, interest or other forms of
103 return on investment received by the authority shall be deposited in or
104 held on behalf of said fund.

105 (b) The authority may provide financial assistance in such amounts,

106 in such form and under such terms and conditions as the authority
107 shall prescribe, in written procedures adopted in accordance with
108 section 1-121 of the general statutes. Such procedures shall provide, in
109 the case of financial assistance in a form other than a grant, for returns
110 on investment as the authority deems appropriate to reflect the nature
111 of the risk, provided a single project shall not receive an amount in
112 excess of fifteen million dollars and shall not be for a term longer than
113 thirty years.

114 (c) The authority may take all reasonable steps and exercise all
115 reasonable remedies necessary or desirable to protect the obligations
116 or interests of the authority, including, but not limited to, the purchase
117 or redemption of in foreclosure proceedings, bankruptcy proceedings
118 or in other judicial proceedings of any property on which it holds a
119 mortgage or other lien or in which it has an interest, and for such
120 purposes and any other purposes provided in this section payment
121 may be made from the High-Technology Infrastructure Fund upon
122 certification by the executive director that payment is authorized
123 under the provisions of this section, or other sections of the general
124 statutes, applicable procedures or other programs of the authority.

125 (d) Applicants for financial assistance shall pay the costs the
126 authority deems reasonable and necessary incurred in processing
127 applications made under this section, including application and
128 commitment fees, closing costs or other costs. In carrying out the
129 provisions of this section, any administrative expenses incurred by the
130 authority, to the extent not paid by the borrower or from moneys
131 appropriated to the authority for such purposes, may be paid from the
132 High-Technology Infrastructure Fund.

133 Sec. 7. (a) For the purposes described in subsection (b) of this
134 section, the State Bond Commission shall have the power, from time to
135 time, to authorize the issuance of bonds of the state in one or more
136 series and in principal amounts not exceeding in the aggregate one
137 million dollars.

138 (b) The proceeds of the sale of said bonds, to the extent of the
139 amount stated in subsection (a) of this section, shall be used by the
140 Department of Economic and Community Development for the
141 purpose of funding the "E-Commerce Matching Grant Program Fund"
142 established pursuant to sections 8 to 12, inclusive, of this act.

143 (c) All provisions of section 3-20 of the general statutes, or the
144 exercise of any right or power granted thereby, which are not
145 inconsistent with the provisions of this section are hereby adopted and
146 shall apply to all bonds authorized by the State Bond Commission
147 pursuant to this section, and temporary notes in anticipation of the
148 money to be derived from the sale of any such bonds so authorized
149 may be issued in accordance with said section 3-20 and from time to
150 time renewed. Such bonds shall mature at such time or times not
151 exceeding twenty years from their respective dates as may be provided
152 in or pursuant to the resolution or resolutions of the State Bond
153 Commission authorizing such bonds. None of said bonds shall be
154 authorized except upon a finding by the State Bond Commission that
155 there has been filed with it a request for such authorization which is
156 signed by or on behalf of the Secretary of the Office of Policy and
157 Management and states such terms and conditions as said commission,
158 in its discretion, may require. Said bonds issued pursuant to this
159 section shall be general obligations of the state and the full faith and
160 credit of the state of Connecticut are pledged for the payment of the
161 principal of and interest on said bonds as the same become due, and
162 accordingly and as part of the contract of the state with the holders of
163 said bonds, appropriation of all amounts necessary for punctual
164 payment of such principal and interest is hereby made, and the State
165 Treasurer shall pay such principal and interest as the same become
166 due.

167 Sec. 8. (NEW) For purposes of this section and sections 8 to 12,
168 inclusive, of this act: (1) "E-commerce consortium" means a coalition or
169 other group of entitles, related by contractual or other arrangements,
170 that (A) includes at least one state higher education facility and one or
171 more Connecticut businesses and may include other businesses,

172 nonprofit, higher education or public institutions, and (B) is led by
173 such facility for the purpose of e-commerce and information
174 technology development or commercialization; (2) "E-commerce
175 incubator" means an entity organized as a nonprofit organization for
176 the purpose of providing research, offering capped rent, providing
177 access to venture capital resources, partnering with academic research
178 or business school faculty and offering shared office facilities and other
179 services to assist small e-commerce and information technology-based
180 companies develop and grow; and (3) "Contribution" means cash,
181 negotiable securities or other gifts of similar liquidity.

182 Sec. 9. (NEW) There is created an "E-Commerce Matching Grant
183 Program Fund" within the Department of Economic and Community
184 Development. The proceeds of any bonds issued for the purposes of
185 sections 9 to 12, inclusive, of this act, shall be deposited in said fund.
186 The State Treasurer shall invest the proceeds of the fund and the
187 investment earnings shall be credited to and become part of the fund.
188 Annually, on or before September first, the Treasurer shall notify the
189 department of the total amount of investment earnings of the fund for
190 the prior fiscal year and such amount shall be available to the
191 department for payments pursuant to sections 11 and 12 of this act.
192 Any balance remaining in the fund at the end of each fiscal year shall
193 be carried forward in the fund for the succeeding fiscal year.

194 Sec. 10. (NEW) (a) To be eligible for a matching grant for a fiscal
195 year pursuant to this section and section 12 of this act, an e-commerce
196 consortium or e-commerce incubator shall have received total donor
197 contributions for the fiscal year for which such amount is calculated of
198 not less than twenty-five thousand dollars.

199 (b) For the portion of total donor contributions for the fiscal year
200 which is equal to twenty-five thousand dollars or more but does not
201 exceed the total donor contributions for the prior fiscal year, there shall
202 be a match of twenty-five per cent of such amount, provided no match
203 pursuant to this subsection shall exceed two hundred fifty thousand
204 dollars.

205 (c) For the portion of total donor contributions for the fiscal year
206 which exceeds the total donor contributions for the prior fiscal year,
207 there shall be a match of one hundred per cent of such amount,
208 provided no match pursuant to this subsection shall exceed one
209 million dollars.

210 (d) If in any fiscal year the total amount of matching grants to be
211 paid pursuant to the provisions of this sections and section 12 of this
212 act, exceed the investment earnings of the E-Commerce Matching
213 Grant Program Fund which are available for payments to e-commerce
214 consortia and e-commerce incubators, pursuant to section 10 of this
215 act, all such matching grants shall be reduced on a pro rata basis.

216 Sec. 11. (NEW) Annually, on or before December fifteenth, an e-
217 commerce consortium or e-commerce incubator may apply to the
218 Department of Economic and Community Development for a state
219 matching grant, provided said consortium or incubator includes in its
220 application a copy of the Internal Revenue Service return of
221 organization exempt from income tax form, or any replacement form
222 adopted by the Internal Revenue Service, showing the total amount of
223 contributions received from donors for the two most recently
224 completed fiscal years. On or before the January fifteenth next
225 following, the department shall certify to the Treasurer an amount
226 equal to the total matching grants as calculated pursuant to section 10
227 of this act. Thereafter, the Treasurer shall make available such amount
228 to the department and the department shall, on or before April
229 fifteenth, pay to each e-commerce consortium or e-commerce incubator
230 a grant as calculated pursuant to section 11 of this act."